United Nations A/69/415

General Assembly

Distr.: General
8 October 2014

Original: English

Sixty-ninth session
Item 132
Programme budget for the biennium 2014-2015

Progress in the construction of additional office facilities at the Economic Commission for Africa in Addis Ababa, proposals for the renovation of conference facilities, including Africa Hall, and revised estimates relating to the programme budget for the biennium 2014-2015 under section 18, Economic and social development in Africa, section 33, Construction, alteration, improvement and major maintenance, and section 34, Safety and security

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on progress in the construction of additional office facilities at the Economic Commission for Africa (ECA) in Addis Ababa (A/69/359). During its consideration of the report, the Committee met with the representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 30 September 2014.

2. The report of the Secretary-General is submitted pursuant to General Assembly resolution 63/263, in which the Assembly endorsed the recommendation of the Advisory Committee that the Secretary-General submit annual progress reports for all ongoing construction projects. The report provides an update on progress in the construction of additional office facilities at the ECA and proposals for the renovation of conference facilities, including Africa Hall.

14-62259 (E) 101014

Please recycle

II. Progress in the construction of additional office facilities

Construction progress

3. The Secretary-General is reporting the successful completion of the construction of additional office facilities at ECA and full occupancy of the premises in August 2014. Some ancillary project work is ongoing and is expected to be finished by June 2015.

4. As indicated in paragraph 37 of the report, the construction of the new office facilities was substantially completed on 19 June 2014, at which point more than 95 per cent of the building's construction had been completed to the satisfaction of the Commission, enabling it to take possession of it and commence occupancy. A total of 5 per cent of the agreed contract cost will be retained during the defects liability period of one year, during which the contractor can finalize minor outstanding defects. The ancillary project works would also be completed during this period. The report indicates that such work will not disrupt the normal operations of the new office facilities and will include the installation of generators, a generator house, site lighting and interior partitions, the construction of internal access roads and parking facilities, and civil, landscaping and sanitary work.

5. **The Advisory Committee welcomes the progress made since the issuance of the latest progress report. It notes with appreciation the continued support provided by the host country throughout the construction of the additional office facilities. The Committee recommends that the General Assembly request the Secretary-General to ensure that the remaining ancillary work is fully completed within the planned time frame — by June 2015 — and avoid any further delay or cost escalation.**

Cost estimates

6. Information on the cost estimates is provided in paragraph 35 of the report. The overall project budget for the additional office facilities remains unchanged at $15,333,200. As at 31 July 2014, the overall expenditure amounted to $13,262,400, and it is projected that additional expenditures in the amount of $2,070,800 will be incurred between August 2014 and June 2015, to provide for, among other things, outstanding invoices and the completion of the remaining ancillary projects. Annex I to the report of the Secretary-General provides details on project costs for the construction of the new office facilities.

Occupancy and rental income

7. The Secretary-General indicates that the tenants of the new office facilities are the United Nations Office for Project Services (UNOPS), the United Nations High Commissioner for Refugees (UNHCR) Liaison Office to the African Union and the Economic Commission for Africa, the United Nations Office to the African Union (UNOAU), including the African Union-United Nations Hybrid Operation in Darfur, the World Health Organization (WHO) and the United Nations Children's Fund (UNICEF). The move into the building was completed in August 2014 for a total of 685 staff, as compared to the 647 planned. The Committee was informed that workspaces in the new office facilities had been planned in accordance with space-planning guidelines in effect at the time of the project design phase, which included the use of open-plan offices (workstations). Furthermore, the new office facilities

would be well-suited to the implementation of flexible workplace strategies should the General Assembly decide to adopt such strategies. However, the decision to implement flexible workplace strategies would remain with the specialized agencies, funds and programmes occupying the new office facilities.

8. Information on the rental income generated by the new office facilities is provided in paragraph 43 of the report of the Secretary-General. The gross rental income from the new office facilities is estimated to amount to $1,506,100 per year from the five tenant entities and is expected to cover all the expenses associated with the maintenance of the new premises, including utilities. Upon enquiry, the Advisory Committee was informed that, given the recent occupancy of the new office facilities, it was yet not possible to estimate the maintenance costs. The Committee was further informed that the $1 million contribution made to the project by UNOAU reflected an advance payment of rent rather than a contribution to the project. Consequently, the annual rental income from the remaining four tenant entities (UNHCR Liaison Office to the African Union and ECA, WHO, UNICEF, UNOPS) totalled $1,160,321. All ECA tenants were charged a monthly rental rate of $11.59 per square metre in 2014. With regard to the security services provided to the tenant entities of the new office facilities (see para. 9 below), the Committee was informed that such costs were not included in the rent paid by the tenant entities and were not subject to cost-sharing. **The Committee recommends that the General Assembly request the Secretary-General to provide in his next progress report details on the rental charges and maintenance costs of the new office facility, as well as on the related cost-recovery arrangements, if any, for services provided by ECA.**

Proposed additional security requirements

9. The Secretary-General proposes the establishment of an additional 18 Security Officer posts, effective 1 January 2015, under section 34, Safety and security, of the programme budget for the biennium 2014-2015, related to the increased safety and security operations for the new office facilities (see A/69/359, paras. 44-52). He states that the additional 18 Security Officers would supplement the existing staffing complement of 119 officers and are required to handle the increased workload resulting from the presence of an additional 600 staff at the new office facility as well as an estimated additional 100 contractors, 100 visitors and 300 private and official vehicles entering the compound on a daily basis. Upon enquiry, the Advisory Committee was informed that those estimates were based on the visitor's log, which is maintained by the Visitor Management Unit and closely coordinated with the Safety and Security Section of ECA. The Secretary-General indicates that the additional requirements for the proposed 18 Security Officers for the biennium 2014-2015 amount to $386,700 (net of staff assessment) under section 34, comprising $331,200 under posts and $55,500 for non-post resources, including overtime. The recurrent requirements for the biennium 2016-2017 are estimated at $705,800.

10. In response to its request, the Advisory Committee was provided with additional information on the functions of the existing 119 Security Officers as well as the proposed additional 18 officers, which is attached as annexes I and II to the present report. The information provided shows that three additional officers are proposed for the executive floor to provide close protection for the Special Representative of the Secretary-General and Head of UNOAU. The Committee was

informed that this requirement was based on the policy of the Department of Safety and Security and was part of the additional security services to be provided by the Safety and Security Service of ECA to UNOAU following its relocation to ECA premises. The same security coverage was also provided to the ECA Executive Secretary.

11. Upon enquiry, the Advisory Committee was informed that prior to its relocation to ECA premises, security services for the Special Representative of the Secretary-General and Head of UNOAU were provided by UNOAU security staff. The Committee was further informed that the current budget for UNOAU under the support account for peacekeeping operations for the period from 1 July 2014 to 30 June 2015 provided for three security posts (1 P-3, 1 Field Service, 1 Local level). While UNOAU would rely on ECA to provide security services for its premises, the Office intended to retain its existing three security posts to provide the following functions: (a) one Security Officer (P-3) to provide the functions of a Security Adviser to the Special Representative and focal point for liaison with the Department of Safety and Security and the security services of ECA, as well to oversee the safety and security of UNOAU staff and property outside of the ECA compound, for which the Head of UNOAU is accountable; (b) one supporting national General Service post to assist the Security Adviser in conducting investigations, residential surveys of staff residences in line with minimum operating residential security standards and minimum operating security standards; and (c) one Security Officer (Field Service) to support ECA in addressing the additional workload resulting from the relocation of UNOAU to ECA premises, including an additional 80 staff and a high volume of visitors and delegations. In view of the relocation of UNOAU and given that the Department of Safety and Security provides security services at ECA premises, the Committee will review the security-related resource requirements of UNOAU at the time of its consideration of the Secretary-General's proposals for the support account for peacekeeping operations for the 2015/16 period. **The Committee emphasizes the need to ensure clarity regarding the respective roles and responsibilities of ECA, the Department of Safety and Security and UNOAU for the provision of security services and to avoid duplication.**

12. From the additional information provided to it (see annexes I and II below), the Advisory Committee notes that the Secretary-General's proposal for an additional 18 Security Officers includes 12 officers, 3 each for the lobby, building and perimeter patrol, vehicular screening and pedestrian screening. The Committee further notes that 36 of the existing 119 Security Officers are currently assigned to the tour platoon that covers all vehicular entrances and pedestrian gates, lobbies, delivery docks, static security posts, perimeter patrols and reinforcements for special events. **In view of the existing capacity, the Committee recommends that the General Assembly approve 14 of the 18 additional Security Officer posts proposed to provide for safety and security for the new office facilities of ECA. The related requirements of $331,200 under posts and $55,000 for non-post resources (including overtime) for the biennium 2014-2015 should be adjusted accordingly.**

Potential claims management

13. In paragraphs 4-11 of its previous report (A/68/643), the Advisory Committee discussed at some length the successive delays in the design and construction phases

of new office facilities at ECA. The construction, which commenced on 1 May 2010, was expected to be substantially completed by the end of February 2012. The Committee had been informed that the delay in the completion of the construction project entailed financial implications for ECA in terms of unrealized rental income. In its report, the Committee had expressed its view that, at the appropriate time, when the full extent of damages had been determined, appropriate action should be taken against the contractor, and that, in the interim, Secretary-General should seek whatever redress was available within the terms of the contract. In paragraph 7 of section III of its resolution 68/247 A, the General Assembly requested the Secretary-General to ensure full accountability for the factors that had contributed to delays in the implementation of construction and renovation projects in Addis Ababa.

14. The Secretary-General provides information on potential claims management in paragraphs 40 to 42 of his report. He indicates that ECA is working in close coordination with the Office of Central Support Services and has sought the advice of the Office of Legal Affairs with regard to the recommended approach to recovering costs incurred as a result of the contractor's delays. He further indicates that discussions with the objective of reaching a conclusion that is in the long-term best interest of the Organization are ongoing, and furthermore that the outcome will be reported in the context of the final progress report. Upon its request for further information, the Advisory Committee was informed that ECA was working with the Office of Legal Affairs to analyse the options available to the United Nations for seeking remedies and claiming damages for contractual breaches while avoiding counterclaims on the part of the contractor. **The Committee recommends that the General Assembly request the Secretary-General to pursue his efforts and bring this matter to a swift conclusion and to provide an update in his next progress report.**

III. Proposals for the renovation of conference facilities

A. Africa Hall

15. As indicated in paragraph 54 of the report of the Secretary-General, ECA, in collaboration with the United Nations Educational, Scientific and Cultural Organization, the African Union Commission and the Ethiopian Government, launched the first initiative of the historic project for the renovation of Africa Hall to make it a monument to modern African history. The initiative was launched on 24 October 2008 at a ceremony marking the fiftieth anniversary of the Commission. In its resolution 65/259, the General Assembly requested the Secretary-General to expeditiously assess the status of conference facilities at the Commission, in particular Africa Hall and Conference Room 1, to ensure that they were in strict compliance with the highest international standards for conference facilities. The Secretary-General indicates that in the context of addressing the Assembly's specific request, it was considered opportune to include a visitors' centre in the Africa Hall to highlight its significant role in modern African history, as envisioned at the ceremony marking the fiftieth anniversary of ECA on 24 October 2008 (A/69/359, para. 77).

16. In paragraph 55 of his report, the Secretary-General indicates that pursuant to the request of the General Assembly in its resolution 65/269, a local consultancy

firm was engaged in July 2012 to conduct an assessment and develop a scope of work needed for the renovation. The local firm was not able to complete the assignment, however, owing to the magnitude of the project. The Secretary-General further indicates that, in 2013, with the assistance of the Office of Central Support Services, ECA issued another invitation for bids for design services and engaged a qualified international consultant to carry out a detailed condition assessment, establish the required work and provide an overall cost estimate for the renovation of Africa Hall. The consultant also developed the scope, budget and schedule of the project, which are provided in the report of the Secretary-General.

17. The Secretary-General indicates that the detailed assessment undertaken by the consultant revealed a great deal of deterioration and numerous deficiencies that need to be addressed. The main findings are outlined in paragraph 63 of the report. The Secretary-General states that the proposed renovation takes into consideration the original design intent of the building and its interior spaces, while ensuring compliance with best practices related to current international building standards and codes. The scope of the renovation is described in paragraphs 65-80 of the report and covers the following areas: (a) structural upgrade, essential life and health safety and building works requirements; (b) the Plenary Hall and associated work; (c) external work and landscape; (d) heritage conservation; and (e) the visitors' centre, screening building, new entrance and reserved parking. The project is proposed to be implemented in five stages over a period of approximately seven years (ibid., paras. 81-85). A timeline for the proposed project schedule is set out in figure II of the report. Stage 1, preparation, and stage 2, concept and design development, commenced in February 2014 and were completed in June 2014; subject to approval by the General Assembly, stage 3, pre-construction, will start in the first quarter of 2015 and is planned to be completed by the end of 2016; the fourth stage, construction, includes five phases to be executed between 2017 and 2021; the warranty and defects liability period constitutes the final and fifth stage of the project.

18. The estimated project cost for stages 3 to 5 of the proposed renovation of Africa Hall amounts to $56.9 million, comprising $52.8 million for construction costs, $3.5 million for project supervision and management and $0.6 million for physical security requirements. The project cost plan for the proposed renovation of Africa Hall by year is set out in annex II to the report of the Secretary-General. The estimated cost of $52.8 million for construction costs comprises $31.7 million for construction trade costs, $6.0 million for consultant fees, $3.4 million for pre-commencement escalation costs over a 31-month period, $3.0 million for construction escalation costs over a 41.5-month period and a 20 per cent contingency provision of $8.8 million (ibid., annex II and para. 89).

19. The next steps for the renovation project are described in paragraphs 94-109 of the report. The Secretary-General proposes to: (a) establish a project governance structure; (b) establish an initial dedicated project management team; and (c) engage a dedicated design consultant to perform stage 3, pre-construction services, which will include detailed assessments required to complete the design, as well as production information (construction drawings) and tender documentation to procure construction services. The proposed resource requirements for the biennium 2014-2015 amount to $2,309,200 (see para. 41 below).

20. The Advisory Committee notes the progress reported thus far on the project for the renovation of Africa Hall, including the completion of stages 1 and 2 for the development of the concept and design. Given the delays that have already accumulated in the execution of the project, the Committee recommends that the General Assembly authorize the Secretary-General to proceed to stage 3, pre-construction, so that the development of the detailed design, construction drawings and tender documentation can commence according to plan. The Committee further recommends that the Assembly request the Secretary-General to provide in his next progress report more detailed cost estimates for construction, contingency and escalation allowances as well as all associated costs, taking into account the outcome of the pre-construction activities, including the detailed assessment and design. In the paragraphs below the Committee makes observations and recommendations that the Secretary-General should take into account when developing the detailed cost estimates for the construction phase.

Lessons learned

21. The Advisory Committee recalls that the project for the construction of new office facilities at ECA had a long history of delays and cost escalation. It emphasizes the importance of reviewing the issues, concerns and challenges encountered, documenting the lessons learned and incorporating them in the new project in order to ensure its completion on time and within budget. In paragraph 39 of his report, the Secretary-General provides information on the lessons learned from the project.

22. Upon enquiry, the Advisory Committee was informed that, based on lessons learned from the project as well as other United Nations capital projects, ECA proposed to: (a) establish a project governance structure; (b) establish an adequately sized dedicated project management team starting from the technical and tender document production stage; and (c) engage a dedicated architectural/engineering consultant to draft technical documentation and undertake supervision and construction administration for the remaining stages of the project. Furthermore, project updates were provided to the Executive Secretary and the Director of Administration on an ongoing basis. In addition, weekly coordination meetings and day-to-day working arrangements with the Office of Central Support Services had been established.

23. The Advisory Committee was informed that the lessons learned from the hiring of the first consultant for the Africa Hall renovation project, which resulted in a two-year delay, had been applied in the selection of the second consultant. These included: (a) the broad circulation of the "expression of interest" for services at the international level, which resulted in the increased participation of vendors with superior professional experience; (b) the development of a comprehensive scope of services document and its inclusion in all requests for proposals issued to prospective vendors in order to obtain the best value and ensure adequate service delivery; and (c) the thorough vetting of vendors during the selection process, in particular with regard to their experience on projects of similar size, scope and clientele, and their past performance on such projects.

24. In paragraph 39 (e) of his report, the Secretary-General highlights the importance of taking into account well in advance the location constraints and lead

times for importing materials, as well as the need to factor in host-country processes and regulations. In this regard, the Advisory Committee was informed that ECA had received assurances from the Government of Ethiopia that imported materials, such as cement and information technology and security equipment, would be guaranteed entry. Similar assurances had been provided with respect to the hiring of external contractors and international consultants.

25. **The Advisory Committee recommends that the General Assembly request the Secretary-General to continue to identify lessons learned and to provide in his next progress report updated information on how they are being applied in the context of the project for the renovation of Africa Hall.**

26. In this connection, the Advisory Committee was informed that the Office of Internal Oversight Services in September 2014 had completed a follow-up audit of the management of the construction of the new office facilities at ECA, from its inception and planning stages through to completion. The scope of the audit included the assessment of the adequacy and effectiveness of the governance, risk management and control processes related to effective and efficient project planning and management of the new construction project. Previous audits had been conducted between 2009 and 2013. At the time of the Committee's consideration of the report of the Secretary-General, the findings of the current audit were not available. **The Committee therefore requests the Secretary-General to provide to the General Assembly at the time of its consideration of the progress report relevant information on the findings of the Office, including the lessons learned during the construction of the new office facilities.**

Project management, governance and oversight

27. Information on the project governance structure is provided in paragraphs 97-100 of the report. The Secretary-General indicates that the Executive Secretary of ECA is the project owner and would therefore be accountable for the overall management of the project. The Advisory Committee was informed that the Director of Administration will serve as the project director and that the project manager and project management team will report to the office of the Director of Administration. With regard to the Advisory Committee for the renovation project referred to in paragraph 99 of the report, the Committee was informed that it will be constituted in 2015 following additional consultation with the Office of Central Support Services on lessons learned from other capital projects currently being undertaken by the Organization. It was envisaged that the Committee for the renovation project would be chaired by the Chief of Staff of ECA and that its primary function would be to provide advice on issues of cost, schedule, scope and compliance. It would also monitor activities carried out in liaison with all stakeholders, track project deliverables, chart lessons learned and seek technical advice from independent consultants, as required.

28. The Secretary-General proposes the establishment of a dedicated project management team for the period from July 2015 to June 2021, with a staffing complement of eight posts (1 P-5, 1 P-4, 3 National Professional Officer and 3 Local level), distributed as follows: a Project Manager (P-5); a Project Architect/ Engineer (P-4); a Supervisor Architectural/Civil/Structural Engineer (National Professional Officer); a Supervisor Electrical/Mechanical/Security/Telecom Engineer (National Professional Officer); a Clerk of Works (National Professional Officer); an

Administrative Assistant (Local level); a Finance Assistant (Local level); and a Logistics/Shipment Assistant (Local level) (ibid., paras. 101-102). The full team is proposed to be established in January 2017 and will remain in effect during the construction phases of the renovation project. During stage 3, pre-construction, the Secretary-General proposes the establishment, effective 1 July 2015, of an initial project team comprising two positions, Project Manager (P-5) and Administrative Assistant (Local level) (see para. 41 below).

29. The Advisory Committee recalls that, in its resolution 68/247 A, the General Assembly reiterated its request that the Secretary-General entrust the Office of Internal Oversight Services with ensuring effective oversight of the implementation of the construction and renovation of the conference facilities and with submitting to the Assembly information on key findings in the context of its annual reports.

30. **The Advisory Committee recommends that the General Assembly request the Secretary-General to provide in the context of his next progress report details on the project management, governance and oversight modalities put into effect for the renovation project, as well as an assessment of their effectiveness in supporting the smooth execution of the project according to budget and plan.**

Contingency and escalation allowances

31. A summary of the estimated project cost for stages 3 to 5 of the proposed renovation of Africa Hall is provided in table 2 of the report of the Secretary-General. As indicated above, the estimates include an allowance of $3,375,000 for pre-commencement price escalation over a 31-month period, an allowance of $2,989,000 for construction price escalation over a 41.5-month period and a 20 per cent contingency provision of $8,803,000. Upon request for further clarification of those costs and the basis for the estimates, the Advisory Committee was informed that according to the Secretary-General:

(a) The contingency allowance was a provision for unpredictable changes in project costs due to such factors as unforeseen field conditions, changes in owner requirements (but not scope changes) and design errors and oversights. The contingency allowance was especially relevant for renovation work in existing buildings, as opposed to new construction, because of the likelihood of discovering unforeseen building conditions during construction. In addition, the contingency allowance could be used to cover cost variances due to minor changes in the phasing of a multi-year project;

(b) Price escalation allowances were provisions for the projected increase in construction costs over the project period from the date that the initial cost estimate is made until the end of the construction period, taking into account such factors as the price of raw materials, importation costs and labour rates and based on an analysis of trends in the recent past and financial factors such as inflation, material availability and the pace of construction in regional markets. The cost estimates had been based on June 2014 prices and two distinct allowances for escalation had then been added to the estimate: (i) an escalation rate of 4.13 per cent per annum had been applied for the 31-month pre-construction period from July 2014 to the scheduled date for construction commencement; and (ii) an escalation rate of 4.11 per cent per annum had been applied for the scheduled duration of the construction period.

32. The Advisory Committee commented extensively on project contingency provisions in its report on the strategic heritage plan (see A/68/585, paras. 73-81; A/68/808, paras. 19-23). It emphasizes that a contingency is a specific budgetary provision allocated so that the cost impact of project risks, should they arise, can be addressed quickly without the need to delay the project and negotiate increased funding. It is crucial that contingency funding not be used as a device to absorb general increases in project costs and that the use of such provisions be clearly reported.

33. The Board of Auditors has commented on the best practices for managing contingency budgets in capital projects (see A/68/5 (Vol. V)). According to the Board, good practice dictates that, prior to the approval of a major project, the level of contingency required is calculated on the basis of the types of risk that may emerge and the cost of mitigation. Furthermore, the use of contingency funds should be approved transparently by a governing body, such as a steering committee, and not by the project. In addition, the use of the contingency should not be assumed and should be approved only to mitigate the specific risk for which it was established. If such risks do not arise, the funding should be returned at the end of the project. Furthermore, the level of the contingency provisions applied in the context of capital projects should be based on the time or stage of the project at which the contingency provision is established. For instance, as the project progresses, particularly once the design documentation has been prepared, greater clarity can be achieved and the level of the contingency adjusted accordingly.

34. In this connection, upon enquiry, the Advisory Committee was informed that although the contingency figure of 20 per cent was recommended by the architectural/engineering consultant on the basis of various risk factors, a formal risk register had not yet been developed; one was to be prepared once the dedicated project management team was established. **The Committee emphasizes the importance of estimating the contingency requirement on the basis of an assessment of the potential risks faced in each of the phases of the renovation project. The Committee recommends that the General Assembly request the Secretary-General to ensure that the estimates for cost escalation and contingency for the renovation project are estimated and managed in accordance with its previous recommendations on construction projects that were endorsed by the Assembly (see A/68/585 and A/68/808 and resolutions 68/247 A and B).**

Cost estimates

35. The Advisory Committee emphasizes the need for transparency and detailed information on the costs of the project, including such associated costs as travel and security-related requirements. **It therefore recommends that the General Assembly request the Secretary-General to include in his next progress report detailed cost estimates for each phase of the project, with a breakdown of all construction-related and associated costs.**

Other matters

36. The Advisory Committee was informed that, as in the case of other major refurbishment projects, the Secretary-General was seeking voluntary contributions for the Africa Hall renovation project. **The Committee recommends that the General Assembly encourage the Secretary-General to actively seek voluntary**

contributions for the renovation of Africa Hall. Details on the voluntary contributions received should also be reported, for information, in the next progress report.

37. Information on the visitors' centre, screening building, new entrance and reserved parking is provided in paragraphs 77-80 of the report of the Secretary-General. With regard to operational activities, the Secretary-General indicates that a comprehensive business case study for the programme will be developed with the goal of being cost-effective and sustainable. Furthermore, a revenue stream is envisaged as part of the development of the programme and would be overseen by the Public Information and Knowledge Management Division of ECA. The results of the study will be presented in the next progress report, to be submitted to the Assembly at its seventieth session. **The Advisory Committee looks forward to reviewing the results of that study.**

38. The Secretary-General indicates that the proposed renovation ensures compliance with best practices related to current international building standards and codes. With regard to accessibility for persons with disabilities (A/69/359 para. 57 (c)), the Advisory Committee was informed that internationally recognized standards applied in other United Nations capital projects will be applied.

39. With regard to the energy-efficiency standards referred to in paragraph 70 of the report, the Advisory Committee was informed that the following energy-efficient technologies would be introduced in the building in order to reduce utility, maintenance and long-term life-cycle costs, as well as to reduce the environmental impact of Africa Hall: (a) long-life and water-saving fittings; (b) water-harvesting and solar hot water; (c) motion/occupant sensors for intelligent lighting; (d) light dimmers and daylight sensors; (e) passive and mixed-mode/natural ventilation; (f) sun-shading and natural daylight systems; (g) low-solar-transmitting glazing; (h) improved insulation; and (i) sustainably sourced material selection.

40. Upon enquiry, the Advisory Committee was informed that the seismic and structural analysis carried out for Africa Hall (ibid., para. 57 (a)) was based on the Eurocode standards being used for other seismic studies currently being conducted on other premises owned by the United Nations. The Committee was further informed that the seismic structural study of Africa Hall had identified permanent and severe cracking in the ground floor and basement levels as a result of increased load from the addition of the mezzanine. At present, the ground floor, first-floor slabs and supporting columns did not meet the minimum safety requirements. Africa Hall therefore required overall structural strengthening to achieve the minimum level of seismic protection.

Resource requirements for the biennium 2014-2015

41. Details on the resource requirements for 2015 are provided in paragraphs 110-113 of the report of the Secretary-General. A total amount of $2,309,200 is proposed in relation to the establishment of the dedicated project team and stage 3 pre-construction activities, comprising the following:

(a) $113,200 under other staff costs to provide for an initial dedicated project management team funded under general temporary assistance, effective July 2015, comprising one Project Manager (P-5) position supported by an Administrative Assistant (Local level) position;

(b) $12,000 under official travel to cover the cost of travel between Addis Ababa and New York in 2015 for the purpose of consulting and reporting on project advancement;

(c) $2,184,000 under contractual services to provide for the engagement of a programme management firm for stage 3 pre-construction. From annex II to the report of the Secretary-General, the Advisory Committee notes that his amount comprises $1,820,000 for consultant fees and $364,000 for a 20 per cent contingency.

In view of its recommendation in paragraph 20 above, the Committee recommends that the General Assembly approve the Secretary-General's proposals for stage 3 pre-construction activities planned to be accomplished in 2015. The Committee further recommends that the Assembly request the Secretary-General to manage the 20 per cent contingency provision for stage 3 activities in accordance with its recommendations (see para. 34 above) and to report thereon in the context of his next progress report.

B. Renovation of the Conference Centre

42. An update on the renovation of the Conference Centre is provided in paragraphs 114-118 of the report. The Secretary-General indicates that Conference Rooms 3, 4 and 5 were returned to full operation in March 2014. He also indicates that the waterproofing of the roof was being implemented in two phases: phase 1 for the waterproofing of the lower peripheral part of the roof (5,500 m^2) has been completed; and the design for phase 2 (7,562 m^2) has been finalized and will be implemented starting in the third quarter of 2014. A provision of $1.1 million has been approved for this purpose under section 33, Construction, alteration, improvement and major maintenance, of the programme budget for 2014-2015. Additional work and resources required for the remaining interior work were being included in the ongoing development of the strategic capital review.

43. The Secretary-General states that the occupancy rate of the Conference Centre remained at the acceptable level of 82 per cent in 2012 and that the lower rates of 69 per cent in 2013 and 60.5 per cent for the first half of 2014 are due to the disruption caused by ongoing renovations, including the closure of certain conference rooms and the kitchen. The Advisory Committee recalls that at the time of its consideration of the proposed programme budget for the biennium 2014-2015 (A/68/7, para. V.22), it had been informed that the target occupancy rate was 70 per cent. The utilization of the ECA Conference Centre is also discussed in the report of the Secretary-General on the pattern of conferences (A/69/120, paras. 26-29), which indicates a utilization rate of 80.5 per cent in 2012 and 67.4 per cent in 2013, based on the revised calculation methodology.

44. The Advisory Committee requested further information regarding the reason for the change in the occupancy rate and whether its decline was due to the ongoing renovation work or the result of competition. It also sought clarification about the target level of occupancy, as well as details on the business-critical threshold at which it would become infeasible to run the Conference Centre. The Committee was informed that previously the occupancy rate at ECA had been calculated on the basis of the number of conference rooms, whereas other duty stations used a methodology based on the number of planned versus actual meetings held, which has since been adopted by ECA. The Committee was further informed that the decline in the

occupancy of the Conference Centre was a result of disruptions caused by the renovations. Furthermore, it was expected that the upgraded facility would emerge as a more competitive venue in the near future and that the target occupancy for 2014 and beyond remained above 90 per cent.

45. The Advisory Committee was further informed that the minimum occupancy threshold was a function of fixed costs and occupancy income net of operating expenses. Taking into account the notional occupancy income generated by internal events (substantive divisions of the Commission and United Nations agencies in Addis Ababa), the break-even point for business sustainability had been set at 50 per cent occupancy. The Committee was also informed that, in addition to operational performance, an important consideration was the asset value of the Centre, as a facility for strategic communications, as a home to numerous embassies with ongoing political meetings, as a window of the United Nations for the community and as a venue used extensively by the host country for high-profile international conferences and events, thereby generating additional occupancy and income.

46. The Advisory Committee requested further clarification of the formula used to calculate the occupancy rates under the revised methodology and whether the 50 per cent break-even target was based on full cost recovery, including all direct and indirect costs. **The information requested was not provided in time for inclusion in the present report. The Committee therefore requests the Secretary-General to make the information available to the General Assembly at the time of its consideration of this matter. The Committee emphasizes the need to apply a standard harmonized methodology for the utilization of conference rooms across the Secretariat. The Committee will comment further on this issue in its forthcoming report on the pattern of conferences.**

IV. Conclusions and recommendations

47. The action to be taken by the General Assembly is set out in paragraph 122 of the report of the Secretary-General. **Taking into account its comments and observations in paragraphs 12, 20 and 41 above, the Advisory Committee recommends that the Assembly:**

(a) **Take note of the progress made since the issuance of the last progress report;**

(b) **Commend the host country on its continued support throughout the construction of the additional office facilities;**

(c) **Approve the establishment of 14 Security Officer posts (Local level), effective 1 January 2015, under section 34, Safety and security, of the programme budget for the biennium 2014-2015;**

(d) **Approve the establishment of two temporary positions (1 P-5 and 1 Local level), effective 1 July 2015, related to the dedicated project management team under section 18, Economic and social development in Africa, of the programme budget for the biennium 2014-2015;**

(e) **Appropriate an additional amount of $2,610,000 under the programme budget for the biennium 2014-2015, comprising an increase under section 18, Economic and social development in Africa ($125,200), section 33,**

Construction, alteration, improvement and major maintenance ($2,184,000), section 34, Safety and security ($300,800), and section 36, Staff assessment ($46,200), to be offset by a corresponding amount under income section 1, Income from staff assessment;

(f) Charge the amount of $2,610,000 against the contingency fund for the biennium 2014-2015;

(g) Also approve the establishment of a multi-year special account for the duration of the Africa Hall renovation project;

(h) Request the Secretary-General to submit a progress report to the General Assembly at the main part of its seventieth session.

Annex I

Functions of the existing 119 security officers of the security services at the Economic Commission for Africa

Functions/assignment	*Assigned security officers*	*Remarks*
Security planning and coordination unit (including threat assessment)	3	On duty during regular working hours
Executive floor/close protection for Executive Secretary/ Under-Secretary-General	3	One officer per shift, three shifts per 24 hours
Annex building postings	3	One officer per shift, three shifts per 24 hours
Security control centre and closed-circuit television centre	9	Three officers per shift, three shifts per 24 hours
Patrols (groups 1 and 2)	12	Four officers per shift, three shifts per 24 hours
Specialized services to provide explosive detection/bomb search capacity at the gates and throughout the complex	6	Two officers per shift, three shifts per 24 hours
Fire and safety training unit	3	On duty during regular working hours
Fire and safety control centre and patrols	6	Two officers per shift, three shifts per 24 hours
Executive Secretary residence	6	One officer by day and two officers by night (two teams in alternate days, round the clock)
Training and development unit	2	On duty during regular working hours
Pass and Identification Unit/reception	6	On duty during regular working hours
Tour platoon (covers all vehicular entrances and pedestrian gates, lobbies, delivery docks, static security posts, perimeter patrols and reinforcement of special events)	36	Covers posts round the clock in three shifts, 12 officers per shift, adjusted according to operational needs
Conference platoon	12	Covers main conference centre/Africa Hall posts at regular hours
Security management and administration support	1	On duty during regular working hours
Internal postings within the main compound	5	Regular hours on work days
Locksmith and stores	3	On duty during regular working hours
Mail inspection	1	On duty during regular working hours
Special Investigations Unit	2	On duty during regular working hours
Total	**119**	

Annex II

Functions of the proposed 18 additional security officers for the new office facilities at the Economic Commission for Africa

Functions assignment	*Number*	*Remarks*
Lobby	3	One officer per shift, round the clock
Executive floor/close protection for Under-Secretary-General	3	One officer per shift, round the clock, when Under-Secretary-General is away from the office, officers will be used to relieve other colleagues and to cover annual leave and other absences
Fire and safety control panel	3	One officer per shift, round the clock
Building and perimeter patrol	3	One officer per shift, round the clock
Vehicular screening	3	One officer per shift, round the clock; officers will reinforce the gates to ensure proper throughput and reinforce perimeter at night
Pedestrian screening	3	One officer per shift, round the clock; officers will reinforce the gates to ensure proper throughput and reinforce perimeter at night